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ANNUAL MEETING OF
YOUR
GOVERNMENT
EMPLOYEES
HEALTH
ASSOCIATION

Incorporated Under the Laws of the District of Columbia
in the Interest of Insurance Protection for Agency Employees

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PROVIDING A VARIETY OF INSURANCE PLANS

- LIFE INSURANCE

UBLIC
WAEPA
CONTRACT
NFI

- HEALTH INSURANCE

ASSOCIATION BENEFIT PLAN
(HOSPITAL, MEDICAL & SURGICAL)
CONTRACT HOSPITALIZATION
SPECIFIED DREAD DISEASE PLAN

- DISABILITY INSURANCE (INCOME REPLACEMENT PLAN)

- ACCIDENTAL DEATH & DISMEMBERMENT INS. (24 HOUR FAP)

- TRAVEL INSURANCE

AIR FLIGHT TRIP
MILITARY AIR FLIGHT TRIP

\$189,172,678 OF LIFE INSURANCE IN FORCE

31 DECEMBER 1976

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Contract Life
Policies
\$1,885,000

WAEP
Policies
\$38,670,750

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UBLIC
Policies
\$178,916,928

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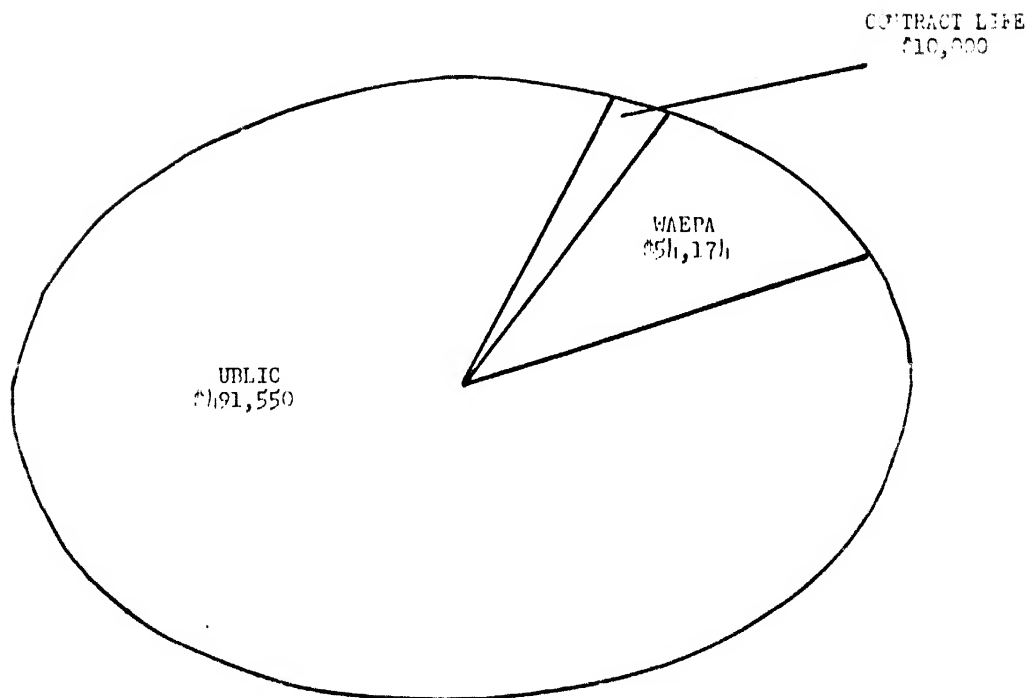
Comparison with 31 December 1975 figures

UBLIC	- Policies increased by 154	Insurance increased by	\$3,756,151
WAEPA	- Policies decreased by 2	Insurance decreased by	\$ 157,000
Contract	- Policies decreased by 8	Insurance decreased by	\$ 60,000

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LIFE INSURANCE BENEFITS PAID IN 1976

\$555,724



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Comparison with 1975 Benefits

UBLIC benefits down	\$256,797
WAEPA benefits down	\$ 9,655
Contract Life up	\$ 10,000

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PUBLIC RETIREE COVERAGE AS OF 31 DECEMBER 1976
(Retiree Benefit Initiated 1 June 1966)

\$29,312,928 of Insurance Continued After Retirement

951 Retirees Under Age 60	
With Coverage Totaling	\$27,072,000

586 Retirees Age 60 to 70	
With Free Coverage Totaling	\$2,187,867

48 Retirees Age 70 or Older	
With Free Coverage Totaling	\$53,061

80 Claims Totaling \$1,154,724 Paid Since June 1966

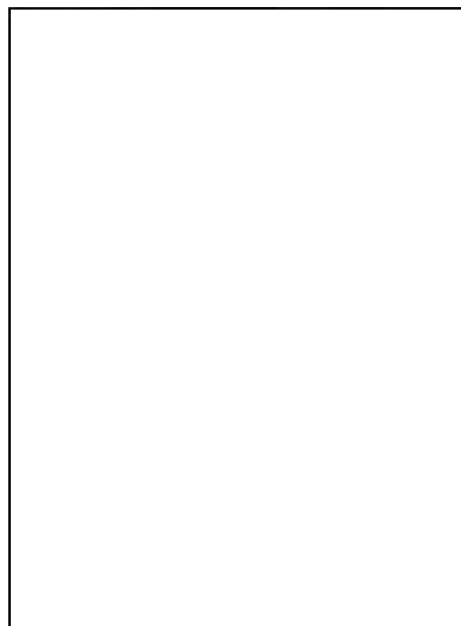
RETIREE COVERAGE

	Dec '75 totals	Dec '76 totals
Total number of retirees covered increased by 78	1507	1585
Total amount of insurance continued after retirement increased by \$431,151	\$28,881,777	\$29,312,928
Number of retirees under age 60 decreased by 7	958	951
Coverage of retirees under age 60 increased by \$86,000	\$26,986,000	\$27,072,000
Number of retirees age 60 to 70 with free coverage increased by 70	516	586
Free Coverage of retirees age 60 to 70 increased by \$328,803	\$ 1,859,064	\$ 2,187,867
Number of retirees age 70 or older increased by 15	33	48
Free Coverage of retirees age 70 or older increased by \$ 16,348	\$ 36,713	\$ 53,061
Number of claims paid on retirees increased by 15	65	80
Total benefits paid increased by \$180,550	\$ 974,174	\$ 1,154,724
Free coverage on eligible retirees increased by \$345,151	\$ 1,895,777	\$ 2,240,928

HEALTH INSURANCE CALL FOR YEAR 1976
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ASSOCIATION
PLAN

CONTRACT



\$11,196,810

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\$11,118,288

\$9,767,000

\$9,737,666

\$78,522

PREMIUMS

\$29,334

BENEFITS

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Enrollment in the Association Benefit Plan is 177 more than the 31 December 1975 figure.

Enrollment in the Contract Health Plan is 25 less than the 31 December 1975 figure.

Health Insurance Benefits increased by \$1,341,000 over 1975. Number of claims increased by approximately 3,020

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HIGHLIGHTS

I. THE ASSOCIATION BENEFIT PLAN

The following Benefit Changes in the Association Benefit Plan were approved by the Civil Service Commission for the 1977 contract year:

1. Add coverage under basic benefits to pay for the surgical correction of congenital anomalies (including protruding ear deformities, harelip, birthmarks, webbed fingers or toes, or other conditions that the Plan may determine to be congenital anomalies, but do not include anomalies related to teeth or structures supporting the teeth).
2. Add coverage under basic benefits (hospital inpatient expenses) to pay for private room charges in full if the Plan determines that isolation is necessary to prevent contagion.
3. Add coverage under basic benefits (Maternity expenses) to pay for the initial routine in-hospital examination of a newborn infant at 80% if that infant is eligible for benefits under the Plan.

Because of favorable experience, the 1977 rates for the ABP remained the same as the 1976 rates. Since the Government's share of the premium for 1977 was increased, the cost to employees enrolled in the ABP decreased - approximately \$5.00 a year for the Self-Only enrollee, and almost \$38.00 a year for the Self-and-Family enrollee.

II. UBLIC LIFE INSURANCE PLAN

In order to reverse an unfavorable claims to premium ratio in the UBLIC Plan, the GEHA Board of Directors made the following changes in the UBLIC Plan effective 1 August 1976:

1. The monthly premium per \$1,000 of coverage for the age 50-59 group was increased from 52 cents to 65 cents. This represents a monthly increase of \$4.68 for individuals in that age bracket with \$36,000 coverage.

2. The required number of years of participation for retiree coverage eligibility was increased from 10 to 15 years. This affects only those members who enroll in the plan on or after 1 August 1976.
3. The free retiree insurance available to eligible members at age 60 was reduced from a maximum of \$5,000 to a maximum of \$2,500. This affects all members who retire on or after 1 August 1976.
4. The free insurance coverage will terminate at age 70. This affects all members who retire on or after 1 August 1976.

The Plan returned to a favorable claims to premium ratio during the contract year ending 31 July 1976, and a refund of premium amounting to \$163,000 was made to GEHA.

III. INCOME REPLACEMENT PLAN

GEHA negotiated with the underwriter to provide a new Income Replacement Plan for its members. This plan pays monthly benefits of \$100 to \$500 regardless of other income which may be available from sick leave, retirement pay or other coverage. Benefits are paid for total disability (Total disability means that period of time during which the insured is completely unable to engage in his or her occupation or any other gainful work or service for which he or she is reasonably fitted by education, training or experience.) Benefits may continue to age 65.

IV. GEHA INVESTMENTS

During 1976, the Investment Committee of the GEHA Board of Directors recommended that the investment firm of Basic Economic Analysis (BEA) Associates, Inc. be selected to provide investment supervision and management of GEHA assets. The Board approved the recommendation and the President was authorized to sign a contract with BEA granting them authority to determine what securities shall be brought and sold. In exercising this authority, BEA is to give due consideration to the instructions and investment objectives of GEHA. The contract became effective on May 27, 1976.

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